



Headquarters Policy Flash

FLASH 2000-12

DATE: April 26, 2000
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, MA-51
Office of Procurement and Assistance Management

SUBJECT: A. Final Rule - Financial Management Clauses
B. Final Rule - Mentor Protege Program

SUMMARY: This Policy Flash summarizes two final rules that were published in the Federal Register on Friday, April 21, 2000 (65 FR 21371 and 65 FR 21367). These final rules may be read and printed at the Federal Register homepage at http://www.gpo.gov/su_docs/aces/aces140.html

POLICY FLASH 2000-12 (04/26/00)

A. FINAL RULE -- Financial Management Clauses for Management and Operating (M&O) Contracts

DOE published a final rule on Financial Management Clauses for Management and Operating Contracts in the Federal Register (at 21371 to 21376) on April 21, 2000. This final rule amends the Department of Energy Acquisition Regulation as DOE proposed in its Notice of Proposed Rulemaking published in the Federal Register (at 64024 to 64031) on November 18, 1998. That is, this final rule designates certain management and operating contract clauses and Federal Acquisition Regulation clauses as Standard Financial Management Clauses to be included in management and operating contracts unless the Chief Financial Officer of the Department concurs in a deviation. Additionally, the rule revises several existing financial management clauses and adds other financial management related clauses.

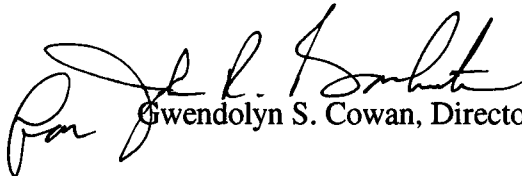
The contracting officer must apply the changes this rule makes to solicitations issued on or after the effective date of this rule and may apply the changes to existing solicitations. Because this rule's changes are already incorporated in the majority of the Department's management and operating contracts, you should incorporate the changes into existing contracts as soon as practicable, but in no case later than one year from the effective date of this rule.

Acquisition Letter (AL) 93-2 has been canceled.

B. FINAL RULE --- Mentor-Protege Program

The Department of Energy Acquisition Regulation is amended to encourage DOE prime contractors to assist 8(a) firms, other small disadvantaged businesses, Historically Black Colleges and Universities and other minority institutions of higher learning, women-owned small businesses and small business concerns owned and controlled by service disabled veterans in enhancing their capabilities to perform contracts and subcontracts for DOE and other Federal agencies, and to succeed in commercial endeavors. The program seeks to accomplish this by fostering long-term business relationships between prime contractors and businesses and institutions of higher learning. The Rule is effective on May 22, 2000. It is not inherently a part of the contract performance of the prime contractor (mentor); however, the Rule contains a solicitation provision to notify prospective offerors of the existence of DOE's Mentor-Protege Program.

The contracting officer must insert the solicitation provision of this rule into solicitations issued on or after the effective date of this rule and may include it in existing solicitations.


Gwendolyn S. Cowan, Director

cc: PPAG Members